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AN ACT

RELATING TO TAXATION; PROVIDING AN EXEMPTION FROM MOTOR
VEHICLE EXCISE TAX FOR CERTAIN NEW FUEL-EFFICIENT VEHICLES.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

Section 1. Section 7-9-22 NMSA 1978 (being Laws 1969,
Chapter 144, Section 15, as amended) is amended to read:

"7-9-22. EXEMPTION--GROSS RECEIPTS TAX--VEHICLES.--
Exempted from the gross receipts tax are the receipts from
selling vehicles on which a tax is imposed by the Motor
Vehicle Excise Tax Act, vehicles subject to registration
under Section 66-3-16 NMSA 1978 and vehicles exempt from the
motor vehicle excise tax pursuant to Subsection F of Section
7-14-6 NMSA 1978."

Section 2. Section 7-9-23 NMSA 1978 (being Laws 1969,
Chapter 144, Section 16, as amended) is amended to read:

"7-9-23. EXEMPTION--COMPENSATING TAX--VEHICLES.--
Exempted from the compensating tax is the use of vehicles on
which the tax imposed by the Motor Vehicle Excise Tax Act has
been paid, the use of vehicles subject to registration under
Section 66-3-16 NMSA 1978 and the use of vehicles exempt from
the motor vehicle excise tax pursuant to Subsection F of
Section 7-14-6 NMSA 1978."

Section 3. Section 7-14-6 NMSA 1978 (being Laws 1988,
Chapter 73, Section 16, as amended) is amended to read:

1 "7-14-6. EXEMPTIONS FROM TAX.--

2 A. Persons who acquire a vehicle out of state
3 thirty or more days before establishing a domicile in this
4 state are exempt from the tax if the vehicle was acquired for
5 personal use.

6 B. Persons applying for a certificate of title for
7 a vehicle registered in another state are exempt from the tax
8 if they have previously registered and titled the vehicle in
9 New Mexico and have owned the vehicle continuously since that
10 time.

11 C. Certificates of title for all vehicles owned by
12 this state or any political subdivision are exempt from the
13 tax.

14 D. A vehicle subject to registration under Section
15 66-3-16 NMSA 1978 is exempt from the tax.

16 E. Persons who acquire vehicles for subsequent
17 lease shall be exempt from the tax if:

18 (1) the person does not use the vehicle in
19 any manner other than holding it for lease or sale or leasing
20 or selling it in the ordinary course of business;

21 (2) the lease is for a term of more than six
22 months;

23 (3) the receipts from the subsequent lease
24 are subject to the gross receipts tax; and

25 (4) the vehicle does not have a gross

